

**MINUTES
REGULAR MEETING
RETIREMENT BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE
AND PARISH OF EAST BATON ROUGE
JULY 29, 2021**

The regular meeting of the Retirement Board of Trustees was held in the Metropolitan Council Chambers at 222 St. Louis Street, and was called to order at 10:00 a.m. by Board Chairman Ms. Marsha Hanlon. Members present: Mr. J. Daniels, Mr. Brian Bernard, Mr. Mark LeBlanc, Mr. David West, and Chief Britt Hines. Absent: None. Staff present: Mr. Jeffrey Yates, Mr. Russell Smith, Mr. Mark Williams, and Mr. Kyle Drago. Others present: Ms. Denise Akers – legal counsel, Ms. Tiffani Dorsa – P&N, Mr. John Williams – Mayor's Office, Mr. Joe Toups – Council Budget Office, Ms. Linda Hunt, Ms. Angie Savoy, Ms. Sharon Campbell, Ms. Debbie McClure and Ms. Sholanda Nalencz – Finance Department, Mr. Pat Guidry – IS, Mr. Shane Spillman, Mr. Derrick Jones, and Mr. Adam Kimble – BRFD, Mr. Cary Cashio – DPW, and Mr. Edward Smith – disability retirement applicant.

Mr. Drago formally called the roll.

The chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meeting of June 24, 2021, from the special meeting of July 15, 2021, and from the Election Committee meeting of July 15, 2021, and called for a motion.

Motion by Mr. LeBlanc, seconded by Mr. West to suspend the reading of, and approve the minutes of the regular meeting of June 24, 2021, the minutes of the special meeting of July 15, 2021, and the minutes of the Election Committee meeting of July 15, 2021 as presented.

No discussion and no objections.

Motion passed by those members present.

The next item on the agenda was Item 2, Disability, and under 2A, Applications/Interviews the chairman noted the application of Mr. Edward Smith from the regular employees who was applying for a service-connected disability retirement.

Motion by Mr. LeBlanc, seconded by Mr. West to approve the service-connected disability application for Mr. Edward Smith in accordance with the recommendation of the medical consultant.

No discussion and no objections.

Motion passed by those members present.

The chairman then skipped ahead to Item 9B, New Business, Presentation of 2020 Retirement System Audit Results by Postlethwaite & Netterville, and recognized Ms. Tiffani Dorsa for her presentation. Ms. Dorsa called the Board's attention to the presentations in the packet and noted that the auditor's responsibility was to express an opinion on whether or not the financial statements are materially correct in accordance with generally accepted accounting principles. They issued an unmodified opinion, which is the highest level of assurance offered. They also reviewed and tested internal control, and were required to report any material non-compliance that exists. She stated that they did not find any internal control or non-compliance issues during the audit. There was no management letter issued. Ms. Dorsa then presented some charts showing the current and historical levels of plan net position, refunds, actuarial accrued liability and the unfunded liability. She also touched on the refunds, benefits paid, and contributions for the plan over time. She then showed data for the PGT, particularly for the funding. Ms. Dorsa then covered the required disclosures to the governing body regarding risk, particularly with private equity investments, and adjustments at year end. Lastly she noted that there were no problems in obtaining all the data and documents needed for the audit, including required representation letters.

The chairman returned to the regular order of business and the next item on the agenda was Item 3, Benefits Report, and the chairman called on Mr. Yates to present the report. Mr. Yates stated that the report included the service-connected disability just approved, and that there was nothing unusual on the report, and that the report was in order as presented.

Motion by Mr. LeBlanc, seconded by Mr. Bernard to approve the Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this report was provided for informational purposes only, and no action was necessary.

The chairman then moved to Item 5, Consultants' Reports, and under Item 5A, Status on Pending Legal Matters, recognized Ms. Akers for her legal update report. Ms. Akers addressed the securities litigation matters, and noted that in the Macrogenics suit there was no change, with all parties waiting on the ruling on the motion to dismiss. In the GreenSky litigation she noted that the notice of settlement had been sent out, and that we are still waiting on the final approval. Regarding the Impinj case, she stated that the court had granted the motion to distribute the settlement proceeds, and that CPERS was expected to receive its pro-rata share of the proceeds in the next few weeks. In the Energy Transfer case, discovery had begun following the judge dismissing most of the defendant's answers to the complaints. CPERS has served its request for production of documents and the defense has served its objections. The defendants have now served their request for production of documents also, and the attorneys would be working with Mr. Yates on that. In Merrit Medical, the discovery phase had begun, and Ms. Akers read the case schedule deadlines for the various processes in the case. It was agreed that Ms. Akers' report on the return to work matter would be taken up with Item 8A.

The next item was Item 6, Committee Reports, and under Item 6C, Election Committee Reports, the chairman recognized Mr. Bernard for his report. Mr. Bernard called on Mr. Smith to give details of the report. Mr. Smith stated that a meeting of the Election Committee took place July 15, 2021 and that a second call for nominations had taken place with a deadline of July 30th, and that there was currently one nomination thus far. He stated that he would let the Board know whether or not any additional nominations are received, and if not, the current nominee would be elected to the Board by acclamation. In answer to a question from Mr. West, Mr. Smith stated that if no other nominations are received, the current nominee could be ratified by the Board as an elected Board member at the outset of next month's regular meeting.

Moving to Item 7, Staff Reports, the chairman noted that under Item 7B, there was an invoice from the law office of Klausner & Kaufman and called for a motion.

Motion by Mr. West, seconded by Mr. LeBlanc to approve payment for the charges to the law firm of Klausner & Kaufman as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7C there were invoices from the Law Office of Akers & Wisbar, and the chairman called for a motion.

Motion by Mr. LeBlanc, seconded by Mr. Bernard to approve payment for the charges to the law firm of Akers & Wisbar as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7D there was an invoice from the Law Office of Tarcza & Associates, and the chairman called for a motion.

Motion by Mr. LeBlanc, seconded by Mr. West to approve payment for the charges to the law firm of Tarcza & Associates as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7E, there was an invoice from the offices of Foster & Foster, and the chairman called for a motion.

Motion by Mr. West, seconded by Mr. LeBlanc to approve payment for the charges to the offices of Foster & Foster as presented.

No discussion and no objections.

Motion passed by those members present.

Under 7F, there were no investment manager/consultant invoices for the Board's review.

Under 7G, Cash Activity Report, Mr. Drago presented the cash flow report and the budget comparison report and stated that these reports were for the Board's information.

The chairman then moved to Item 8A, Discussion of Opinion Letter, Follow-Up Letter, and In-Person Discussion with Tax Counsel Tarcza & Associates, and stated that a special Board meeting had been held at which discussion took place with Mr. Bob Tarcza. She then opened the floor to discussion at which time Mr. LeBlanc stated he would like to move this item forward so that it could go before the Metro Council prior to January 1st of next year. He suggested listening to Ms. Akers summary and going on from there. Ms. Akers suggested not using the term "normal retirement age", but instead using the actual ages when it gets drafted. She noted that we should get the general provisions the Board wants to see, and then

draft the ordinance language based on those provisions. The first item that needed action was the period of separation between employment and returning to work, with the current period being 30 days. A period of 90 days as well as 1 year had been discussed, and Ms. Akers noted that the actuary had suggested at least a 6-month period. Mr. Tarcza had stated that “the longer, the better” for IRS qualification purposes. Mr. LeBlanc expressed his desire for a 90-day separation period. Mr. Bernard stated that he had said longer than 90 days, but that he never recommended a year of separation. Mr. West stated that although he thought 1 year was too long, he was more comfortable with 6 months. Mr. Daniels agreed with a 6 month separation period. Ms. Hanlon stated that she was in favor of 90 days because of the vital roles that some unclassified members play in their departments. It was agreed that classified and unclassified members must be treated the same according to Bob Tarcza. Mr. Bernard noted that in the case of emergency appointments, the member could return sooner than the required separation period. Ms. Hanlon noted that to return immediately after retirement might not remedy the issue in the eyes of the IRS, and those emergency appointments have a limit. Acknowledging that the Metro Council would have the final authority for the ordinance language, Ms. Akers suggested informing them of the provisions that must be included or excluded in order to meet the IRS requirements for qualified plans. Mr. Bernard asked about the possibility of the Council recommending a period of 2 years, and asked if the Board wanted to take such a chance. Mr. West stated that part of the process should be the research some Board members had done regarding what other systems have in their language. He asked whether or not the Board had a responsibility to inform the Council about all the factors that weigh into the language. Mr. Daniels stated that the Board’s responsibility should be to make recommendations to the Council and not to leave the language ambiguous.

Motion by Mr. LeBlanc, seconded by Ms. Hanlon to recommend a period of separation from employment of 90 days before returning part-time.

Seeing objections, Mr. LeBlanc asked for a roll call vote as follows:

Mr. Daniels then offered up a substitute motion to recommend the period of separation as 6 months, with a second by Mr. West.

Mr. LeBlanc and Ms. Hanlon objected to the motion.

Substitute motion passed by a vote of 4 yeas to 2 nays.

The chairman stated that a recommendation will be forwarded to the Council to have a period of separation from service of 6 months. Ms. Akers stated that the next action item was to determine if a statement for signature should be obtained from the retiree stating that he/she understands the action of retiring and separating from service, and that no promise has been made to return to work. Ms. Hanlon noted that tax counsel had stated such a form would be superfluous. Mr. West stated that he liked the language in the Alaska plan that gives 4 choices showing intent to not return to employment. Mr. Yates stated that such language could be added to one or more of the currently used forms, and that the language would be presented to the Board for approval or amendment. Ms. Akers moved to her next action item, which was for the Board to decide the minimum standards by which to have an auditable test, and show the intent to keep the plan qualified, and what language to use for extraordinary circumstances. She noted that Ms. Hanlon’s draft of the new provisions seemed to address the definition of extraordinary circumstances. Such circumstances would have to be listed by the employer and would include exceptional difficulty in recruiting or retaining a qualified employee, specialized degrees, critical shortages, emergency disaster response, or other unusual circumstances determined by the appointing authority. She noted that Mr. Tarcza stated that the language should define special circumstances. Mr. West disagreed with using minimum standards, and that both the actuary and tax counsel had stated that the safe harbor was 25 percent and the trigger point was 50 percent, which means that CPERS is right on the line. He stressed that at the 25 percent level, no one was questioning the practice, but he did not like operating at the line of 50 percent. Ms. Akers stated that Mr. Tarcza had said that at 50 percent or less pay, there was a presumption that the employee intended to retire and separate from service, but with anything over 50 percent the presumption goes away. Mr. West stated that he remembered Mr. Tarcza stating 50 percent or greater as being potentially in violation. It was agreed that the language could stipulate “under 50 percent” pending interpretation by Mr. Tarcza. The 50 percent refers to the salary being earned by the employee at the time of separation of service. There was further discussion regarding the base to use, whether ending pay, or percentage of retirement benefit, or number of hours per week. Ms. Hanlon read from Mr. Tarcza’s letter that the 50 percent was tied to the employee’s last 36 month salary prior to separation, and that he did mention 50 percent or more, and therefore the minimum standard would need to be an amount below 50 percent of pay. Mr. Bernard stated that administratively it would be a nightmare for HR to figure out the fraction of pay and then put that employee on step in the pay range. Ms. Hanlon noted that the number of employees doing this would be about one per month, and going forward would be even less. Referring back to the special circumstances for allowing returns to work, Mr. Bernard asked who would be determining that, with Ms. Akers stating that the employer would have to certify the grounds for returning to work, and there would have to be an auditable standard in the language. She noted that the Metro Council was the final authority and could take some kind of action if they thought the practice was being abused. Mr. West noted that the actuary had recommended some things and talked about incentivizing members to leave early, and that he was not onboard with this practice of leaving service early, knowing they would return and earn as much as 130 percent of salary. He stated that the actuary was recommending a 25 percent of pay return to work maximum to ensure that the employee was not being incentivized to leave early for greater pay. He noted that the actuary stated this would reduce costs to CPERS. Mr. LeBlanc expressed that he had a problem using the term “double-dipping” because the return to work members earned a retirement benefit and then were asked to return to employment by the employer, based on their qualifications. He found the term abusive because the member is retired but is also employed,

which is no different that retiring and going to work outside of the City-Parish. Ms. Hanlon noted that these members could have left the City-Parish and gone to work for the state and earned another benefit, and that the City is fortunate to have these employees as a resource. She stated that since both the actuary and tax counsel mentioned the 50 percent of pay possibility, she would like that to be the standard, and that for extraordinary circumstances, the employer would have to opine within the regulations. Mr. Daniels stated, for the benefit of the members of the audience, that the presence of the actuary and tax counsel at prior meetings had been very valuable by giving insight and advice in how to move forward. He noted that tax counsel had given the minimum standards and that the actuary had offered recommendations for a conservative position within the qualified plan status. He also noted that he had the recommendations of the tax counsel and the actuary separated into 2 columns and that created a range of possibilities that he would use to determine the most conservative approach to the language. An example of this process was the actuary's recommendation of a 6 to 12 month separation, from which he favored 6 months. Regarding the pay limits, he noted that actuary recommending 25 percent as a "good" number, and he felt that this would avoid subjecting the system to scrutiny. He noted that the Metro Council would have the final say in this process and the language used, but that he wanted to be very conservative in his approach.

Motion by Mr. Daniels, seconded by Mr. West to cap the return to work pay at 25 percent of the pay at time of separation of service.

Under discussion, the chairman recognized Mr. Cary Cashio of DPW for his comments.

Mr. Cashio stated that as a return to work employee himself, he thinks the Board cannot see the forest for the trees, and that if the Board thinks an employee will come back to work for 25 percent of pay, after dedicating many years to the City-Parish, they would be killing the hiring process. Out of 180 DPW positions in his area, they cannot fill many of those positions, and depend on hiring the part-time retired employees to get the work done. With the proposed changes, they will not even be able to get those employees to return to work. He asked the Board to open their eyes and stated that the pay is not where it needed to be and the positions cannot be filled. He stated that the part-time positions allow the department to keep functioning, and to keep the institutional knowledge of the employees, and to use them to benefit the City. He stated that if the Board kills this practice, things will spiral down regardless of how it looks on paper. He noted that the Finance Department had many job vacancies and without the part-time employees you won't be able to depend on them to do the budget, but the department will have to do it themselves. Mr. Cashio stated that although he is paid part-time, his position was very much a full-time job. During the pandemic he had worked 60 to 80 hours and been paid 29 hours without complaining because he is dedicated to the City-Parish., and now after 34 years of employment the Board is saying it wants to cut his salary. He stated that he does not understand how the Board could do this, and that when the Amazon facility opens, the problem will get worse, as Amazon pays \$15/hour in an air conditioned facility versus the City paying \$10/hour. This will increase the number of vacancies in DPW, which uses the part-time route to get people back to work and get the job done. Without this process it will not get done.

Mr. LeBlanc and Ms. Hanlon objected to the motion.

A rollcall vote was called for as follows:

Mr. Bernard	Yes
Mr. West	Yes
Mr. Daniels	Yes
Ms. Hanlon	No
Mr. LeBlanc	No
Chief Hines	Yes

The motion passed with 4 yeas to 2 nays.

The chairman announced the results and stated that these terms will be incorporated into the ordinance language and will go before the Metro Council. She encouraged anyone in the audience to address their concerns there. Ms. Akers stated that the last action item for the Board was to decide what to do with the return to work members who were between the ages of 55 and 59 ½ because there may be contractual issues with these members, and they may have made important life decisions regarding their employment. She recalled that there were about 6 or 7 employees in this situation. Mr. LeBlanc stated that Mr. Tarcza said this situation could be handled prospectively and not disrupt any of the current return to work employees. Ms. Akers agreed that he had stated that. Mr. LeBlanc stated that if the ordinance would be effective January 1, 2022 these employees should be grandfathered in, and the IRS would understand that CPERS addressed the problem prospectively instead of making a punitive decision affecting the few members. Ms. Hanlon noted that rolling out DROP funds was an example of a contractual agreement that would take 5 years to correct to the amended rules. Ms. Akers agreed that there could be legal problems if CPERS did not honor its contractual obligations. Ms. Hanlon stated that she supported Mr. LeBlanc's position on making those changes prospectively, and that the affected employees play an important role in contributing to the functions of the City. In answer to a request for clarification from Mr. Daniels, Ms. Hanlon noted that the contractual rights were those of the DROP contracts whereby members who violated their contracts lost their interest and had to roll their DROP funds out of the system. The new language would also forfeit the interest but would require the member to leave the DROP funds on deposit until age 59 ½. Discussion continued regarding the exceptions for the 72T penalties, one of which is to retire in the year you turn age 55 and take distributions in substantially equal periodic payments. Mr. Bernard questioned whether or not employees who are working part-time should be allowed to continue to received DROP distributions while they are under age 59 ½. Ms. Hanlon stated that if a member retires under age

55, he/she is forced to take a DROP distribution based on life expectancy. For the 6 or 7 members who are under age 59 ½, those distributions would continue if this issue is handled prospectively. Ms. Akers discussed the 72T penalty and the exceptions to it. Going forward, the members under age 59 ½ would have access to their DROP funds only if they are drawing their pension, as Mr. Tarcza had explained it. If the pension gets suspended, the access to DROP would also get suspended. In answer to a question from Mr. West, Ms. Hanlon stated that the target date for enacting the ordinance language would be January 1, 2022 because of the time it takes to draft and discuss language, introduce the item, have a public hearing and vote on item. Discussion reverted back to the members who retired under age 55, took a monthly DROP distribution based on age, and came back on a part-time basis. There was a question as to what Mr. Tarcza had opined for these members regarding DROP withdrawals. It was agreed that Mr. Tarcza's comments may have been contradictory on this issue. Mr. Smith explained the current office practices regarding DROP. Ms. Akers noted that the reason these rules and parameters are being established is to show whether or not there was a true separation of service followed by a return to employment within the IRS requirements. There was additional discussion regarding the 6 or 7 members not yet age 59 ½ and making the ordinance changes prospective only. Mr. Bernard stated that he wanted to clear this up with Mr. Tarcza before those members would need to make employment decisions. Mr. West stated that this was a provision that is not yet nailed down and should be answered before going ahead too far. Mr. Bernard asked about Mr. Tarcza stating that for the 6 or 7 members, the hours worked could be gradually reduced to 20 hours per week in phases. Ms. Akers recalled this suggestion as one way to ease the effect of the 50 percent of pay proposal. She stated that Mr. Tarcza was not likely to give a black and white answer on this point, but was offering a suggestion for transitioning the hours downward. Mr. LeBlanc discussed the grandfathering treatment for the few employees potentially affected, and stated that it was the right thing to do. Mr. Bernard asked about those members that might enter into the same situation between now and January 1, 2022 and how to handle them. Mr. LeBlanc stated that these employees should be hired back part-time under the current rules and practices, and there were not many additional members that would be in this situation. Mr. West expressed concern for his fiduciary duty that the system would let additional members violate the rules after being informed these practices should not be allowed. Mr. LeBlanc stated that you have to look at the practicality of the situation, since the ordinance is not yet drafted and not yet adopted, the current practices were continued until the laws changed, and few additional members were affected. Ms. Hanlon reminded the Board that the return to work resolution is not mandatory for any employer and is in place to help the employers get the job done. Mr. Smith asked if the caps that were being established were only for the under age 59 ½ members, with Ms. Akers noting that Mr. Tarcza had stated that there were no restrictions for members who had attained age 59 ½.

Motion by Mr. LeBlanc, seconded by Ms. Hanlon to adopt a prospective policy effective January 1, 2022, assuming the Metro Council passes the changes regarding the 6-month separation of service period and the 25 percent of prior wages limit for return to work members who are not yet age 59 ½ until the effective date of the Retirement Ordinance changes adopted by the Metro Council.

Under discussion, Mr. Bernard asked to add that anyone who returns to work between August 1, 2021 and the ordinance's effective date has to be treated as part of the post January 1, 2022 group, given that no one knows who is returning to work and that there is no expectation that anyone is returning to work. Still under discussion, Mr. Joe Toups stated that currently the Retirement Ordinances do not contain any language regarding return to work employees and that language is in a City-Parish Resolution, and therefore the Board should look at it as two different things. Ms. Akers noted that there is a general principle in law that if a substantive (versus procedural) change is made in the law, it is prospective only. She noted that the changes being considered are definitely substantive changes. Mr. West stated that we are not just talking about the members currently in this position, but members that have not yet returned, and if they did return would be in violation of the law because there is no assumption of members returning to work. Ms. Akers stated that the law would not change until the date that the Metro Council passed the ordinance changes. Mr. Bernard expressed concern that members may rush to come back to work if they know they can be grandfathered in with the other members under age 59 ½. Mr. West asked about informing the administration that every time a 29 hour employee is rehired, although it may be in accordance with the existing ordinance, it may be illegal. Ms. Hanlon noted that these criteria are based on opinions and private letter rulings. Mr. West asked about the Board's responsibility in this issue, including informing the administration. Mr. Bernard again stated that he saw potential for employees rushing to return to work, and that he did not have the ability to stop it because it was entirely up to the department head. Ms. Akers stated that she thought the Board was doing what Mr. Tarcza had recommended by discussing the matter in open meetings and taking action to correct the issues, as the Board had done today.

With a motion still on the floor, Mr. LeBlanc noted that his motion, in companion to the 6 month separation period and 25 percent of prior pay criteria, was to adopt this on a prospective basis once the ordinance is amended, and specifically protect the 6 or 7 members under age 59 ½ who could be affected by this change.

There were no objections to the motion.

Motion passed by those members present.

Mr. Yates asked whether or not the Board should address the issue of normal retirement age as it specifically pertains to CPERS. He stated that he and Mr. Smith had run a quick query to see the actual average age at which members retire, and it computed to age 56+. He noted that he had always considered age 55 as the CPERS normal retirement age. Ms. Akers recommended that the term normal retirement age not be used, but instead use the actual numbered age or ages for CPERS. It was noted that Mr. Tarcza had

assumed the normal retirement age to be 59 ½ while the actuary pointed out that there are several ages at which a member could retire. Mr. Daniels stated that he had asked about the limit for the duration of emergency hires or appointments, and wanted to again inquire as to whether or not the Board wanted to recommend a limit on the extraordinary circumstances for a return to work member. In other words, can the extraordinary circumstances be for an unlimited period of time, or could it not exceed an established period of time. Ms. Akers stated that it could be required that a certification be done annually that certifies the extraordinary circumstances are continuing. Mr. Bernard asked who would do the certifying, and that he would like to see this done away from the appointing authority. Mr. Daniels stated that because of the nature of the circumstances, it should not be an open-ended period of time. Ms. Hanlon noted that these employees would be “at will” employees and the employer could release them when no longer needed. Ms. Akers stated that for IRS qualification purposes, exigent circumstances would need to be certified for members coming back to work and exceeding the 25 percent of pay criteria. She recommended requiring the certification of the employer be reviewed periodically. She noted that there was an employer side of this, and a qualified plan requirement side of it. Mr. Daniels distinguished the exigent extraordinary return to work from the normal return to work previously discussed, and again noted that these returns are for a specific task or purpose that is not permanent. He stated that he would like to add 12 months as the term for returning under extraordinary circumstances.

Motion by Mr. Daniels, seconded by Mr. West to put a term limit of 12 months on the return to work members who are rehired due to exigent and extraordinary circumstances.

Ms. Hanlon objected to the motion.

Under discussion, it was clarified that this motion would not pertain to the members who were required to separate service for 6 months and to return to work at 25 percent of prior pay.

A roll call vote was called for as follows:

Chief Hines	Yes
Mr. LeBlanc	No
Ms. Hanlon	No
Mr. Daniels	Yes
Mr. West	Yes
Mr. Bernard	Yes

The motion passed with 4 yeas to 2 nays

The question was asked regarding who would certify members for a return to work, and it was suggested that the head of each agency would be the proper authority. Mr. John Williams of the Mayor’s Office stated that the Mayor had not made a decision about this item, and would wait to hear what the Board recommends.

Still under Unfinished Business, the chairman moved to Item 8B, Discussion of Retirement Ordinance Language Amendment Regarding Age Penalty, and Mr. Yates stated that this was a “clean-up” item that can be done when the Retirement Ordinances are amended. Ms. Hanlon also noted that the hard-coded age of 70 ½ for mandatory distributions should be changed to age 72, and there was some discussion of the age being raised again to age 75. She also mentioned a possible change to the Plan of Government as the police members become fewer and fewer in number. She noted that there could come a point in time when the police no longer have a Board representative.

Moving to Item 9, New Business, the chairman introduced Item 9A, Presentation of the 2022 Retirement Office Budget – CPERS Original Trust, and recognized Mr. Smith for his comments. Mr. Smith presented the budget including the mission statement, and noted a change in the ratio of the CPERS/PGT indirect expenses. He provided some statistical data regarding number of retirees and value of assets, and number of hours of training. He stated that he had combined the CPERS and PGT budgets into one presentation. He noted the changes created by the departure of one employee and the coming departures of two others. He also noted some large dollar items for building maintenance that are periodic and not annual. Mr. Smith then presented the PGT budget and explained how estimates were made, including the additional contributions provided by the City-Parish. Mr. Yates stated that he would like to send out a recommendation for staffing to the Board. The recommendation would utilize current staff and capitalize on the staff’s experience and knowledge. Mr. Bernard suggested what things to put in writing and what not to, and he stated that he had gotten a small response to a salary survey for the administrator’s position. Mr. Yates stated that the ordinance language was clear that the Board could hire any classified or unclassified positions necessary to run the system, and could also hire positions by contract and offer any range of benefits. Mr. LeBlanc mentioned the possibility of hiring a search firm to fill the administrator’s position. Mr. Yates reminded the Board that Bob Klausner had offered to help in the search. Ms. Akers suggested advertising through LAPERS and P&I magazine, and to get started with developing a job description. Mr. Bernard stated that in the past the position would be advertised with the current salary range, and if the applicant stated that he/she needed a higher salary, the issue was brought to the Metro Council to see if they would approve the increase. Ms. Akers noted the Attorney General opinion that separates the funds of the system from administrative control and stated that the Board should approve the salary level rather than the Council. Ms. Hanlon stated it was customary to follow the City-Parish rules with pay and benefits like all other positions.

Motion by Mr. West, seconded by Mr. Daniels to approve the 2022 CPERS and PGT budgets as presented.

No discussion and no objections.

Motion passed by those members present.

Ms. Savoy asked about the employer contributions for DROP participants based on the actuary report and recommendation. Ms. Hanlon stated that if the City wished to expand the base for contributions it could, provided that the required contribution amount was met. Ms. Savoy recommended starting employer contributions for return to work members in January, and then as members enter DROP the employer contributions commence such that in 5 years all DROP members are included so that there is not a budgetary burden on departments.

Under Item 10, Administrative Matters, there were no items to address.

The chairman then continued with Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Yates who stated that the report contained two items which were in order as presented, but that could result in a guaranteed payment from the PGT.

Motion by Mr. Bernard, seconded by Mr. West to approve the PGT Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 11B, the chairman noted that the PGT DROP Notifications Report was provided for the Board's information, and that no action was required. Mr. Bernard asked about the difference in the PGT benefit versus the MPERS benefit, and Mr. Yates stated that the MPERS 3 1/3 percent per year benefit, as well as 2 additional years at MPERS usually accounted for the difference.

Under Item 11C, Consultants' Reports, there were no items to address.

There were no investment manager invoices under Item 11D.1 for the Board's review.

Under Item 11D.2 there was an invoice to address from Foster & Foster Actuaries.

Motion by Mr. West, seconded by Mr. Daniels to approve for payment the invoice from Foster and Foster Actuaries as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 11D.3, PGT Cash Activity Report, Mr. Drago presented the cash activity report and the budget comparison report.

Under Item 11E.1, there were no matters for consideration.

Under Items 11F Unfinished Business, and 11G, there were no matters to address.

The chairman called the Board's attention to the upcoming LAPERS conference and recommended it for the trustees.

Seeing no further items on the agenda, the chairman called for a motion to adjourn.

Motion by Mr. Bernard, seconded by Mr. West to adjourn at 12:22 p.m.

No discussion and no objections.

Motion passed by those members present.

MARK LEBLANC
VICE-CHAIRMAN, RETIREMENT BOARD OF TRUSTEES

JEFFREY R. YATES
RETIREMENT ADMINISTRATOR